

Message Text

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53

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 PA-04 PRS-01 USIA-15 NEA-10 AF-10

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/099 W

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R 071100Z DEC 73

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 7757

INFO AMEMBASSY VIENNA

AMEMBASSY ROME

AMCONSUL ZAGREB

USDOC WASHDC

USMISSION EC BRUSSELS

UNCLAS BELGRADE 5420

E.O. 11652: N/A

TAGS: ENRG, YO

SUBJECT: YUGOSLAV ENERGY CRISIS

REF: (A) BELGRADE A-413 (NOTAL); (B) BELGRADE 5340 (NOTAL)

1. BEGIN SUMMARY: YUGOSLAVIA SUFFERING ELECTRIC ENERGY SHORTAGES REFLECTING SUBSTANTIALLY REDUCED OUTPUT SEVERAL POWER PLANTS. COUNTRY FORCED TO UNDERTAKE RESTRICTIVE MEASURES IN ECONOMY, PARALLELING ENERGY CONSERVATION MEASURES OF WEST EUROPE. HOWEVER, CAUSES ALTOGETHER DIFFERENT. SEVERE WATER SHORTAGES, EXACERBATED BY COLD WAVE, HAVE CAUSED SEVERAL HYDROELECTRIC PLANTS TO SHUT DOWN. OVERALL ELECTRIC CAPACITY INSUFFICIENT. IN SOME AREAS, MOSTLY SLOVENIA AND CROATIA, ONLY ESSENTIAL SERVICES ARE IN OPERATION. ON OTHER HAND, GOY PRO-ARAB STANCE REAPING BENEFITS IN DELIVERIES OF CRUDE AND REFINED OIL FROM ALGERIA AND LIBYA, ALLEVIATING DISRUPTION OF SUPPLIES IN AFTERMATH OF MID-EAST WAR. END SUMMARY.

2. PRESS REPORTS ESTIMATE THAT THERE NOW EXISTS A DAILY SHORTAGE OF 20 MILLION KILOWATT-HOURS, RESULTING IN SIGNIFICANT REDUCTIONS IN CONSUMPTION OF ELECTRIC ENERGY IN ALL AREAS EXCEPT SERBIA. IN SOME UNCLASSIFIED

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PLACES, NOTABLY SLOVENIA AND CROATIA, POWER DISTRIBUTION HAS BEEN

LIMITED TO ESSENTIAL SERVICES, SUCH AS HOSPITALS, SCHOOLS AND HOMES.

3. SOME EXAMPLES ILLUSTRATE SCOPE OF PROBLEM:

CROATIA: ELECTRICITY CONSUMPTION REDUCED BY 20 PERCENT. CITY OF ZAGREB DIVIDED INTO FOUR ZONES. EACH DAY ONE OF THESE, IN TURN, IS WITHOUT POWER DURING DAYLIGHT HOURS. SOME INDUSTRIES HAVE CLOSED DOWN. SEVERAL COASTAL AREAS, WHICH DEPEND ALMOST ENTIRELY ON HYDRO-ELECTRIC SOURCES, ARE RESTRICTED TO ESSENTIAL SERVICES ONLY.

SLOVENIA IS HARDEST HIT WITH BREAKDOWN OF GENERATING UNITS AT "SOSTANJ III" AND "TRBOVLJE" THERMO-ELECTRIC PLANTS, WHICH ACCOUNT FOR

BULK OF POWER SOURCE. MANY LARGE INDUSTRIES (JESENICE STEELWORKS, ISKRA ELECTRONICS AT TRBOVLJE, LARGE ELECTRICAL APPLIANCE PRODUCER GORENJE, AMONGST OTHERS) HAVE SHUT DOWN ENTIRELY. RELIEF IS NOT EXPECTED UNTIL RESTORATION OF SUFFICIENT ON-STREAM POWER, WHICH COULD BE SEVERAL WEEKS.

BOSNIA/HERZEGOVINA HAS REDUCED CONSUMPTION BY 18 PERCENT. TWO KEY RESERVOIRS FOR HYDRO-POWER "TREBISNJIKA" AND "JABLANICA" ARE ALMOST DRIED UP.

MACEDONIA: POWER DISTRIBUTION TO PRIVATE HOUSEHOLDS IS REDUCED BY ONE-THIRD. SOME INDUSTRIES HAVE SHUT DOWN OR REDUCED PRODUCTION, INCLUDING SKOPJE STEELWORKS AND LARGE CHROME MINE JUGOHROM.

4. PRESENT POWER SHORTAGE IS DUE TO LACK OF OVERALL CAPACITY AND SEVERE WEATHER CONDITIONS. IT IS NOT DIRECTLY RELATED TO SUPPLIES OF OIL. UNUSUALLY DRY SUMMER AND FALL, EXACERBATED BY SEVERE COLD WAVE, HAS SHOCKED COUNTRY INTO REALIZATION THAT IT MUST LIVE WITH POWER SHORTAGE THIS WINTER. IMMEDIATE PROBLEM CAUSED BY SEVERELY REDUCED CAPACITIES OF HYDRO STATIONS. IT IS UNKNOWN HOW LONG THIS WILL LAST. REPAIR OF GENERATING UNITS IN SLOVENIA WILL HELP, AS WELL AS DRIVE TO MAXIMIZE OUTPUT OF THERMO-ELECTRIC PLANTS WITH INTENSIVE COAL AND LIGNITE MINING. REAL SOLUTION WILL NOT BE SEEN UNTIL SNOWS MELT AND IT RAINS, WHICH MIGHT NOT BE UNTIL SPRING. TRANSFER OF POWER FROM OTHER SOURCES ALSO PROBLEMATIC. IMPORTS FROM AUSTRIA AND ITALY TO SLOVENIA ARE REDUCED. SERBIA PLANS ITS UNCLASSIFIED

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OWN INTERNAL RESTRICTIONS TO ENABLE TRANSFER OF POWER TO OTHER REPUBLICS. HOWEVER, THIS PROGRAM HAMPERED BY LACK OF EFFICIENT DISTRIBUTION GRID.

5. COMMENT: THERE IS NOT DOUBT THAT ENERGY SHORTAGE FOR YUGOSLAVIA WILL BE DAMAGING TO ECONOMY. IF SITUATION CONTINUES THROUGH WINTER, PRODUCTION RATES ARE BOUND TO FALL OFF SIGNIFICANTLY, AND WORKERS WILL BE LAID OFF. HOWEVER, CONSEQUENCES WILL BE MITIGATED BY FULLER

UTILIZATION OF THERMO-ELECTRIC CAPACITIES. EXPERIENCE THIS WINTER
WILL MOST PROBABLY CAUSE GOY TO ASSIGN HIGHEST ECONOMIC PRIORITY
TO DEVELOPMENT OF ENERGY CAPACITIES: HYDRO-ELECTRIC, THERMO-ELECTRIC
AND NUCLEAR. REFS (A) AND (B) CONTAINED ASSESSMENTS OF OVERALL POWER
SITUATION. IN NUMEROUS PUBLIC STATEMENTS AND WARNINGS, GOY
BELATEDLY RECOGNIZED ENERGY CRUNCH, AND ESTIMATED \$3.44 BILLION
PROGRAM BY 1980. THIS IS MOST PROBABLY TOO LITTLE. YUGOSLAVIA WILL
REQUIRE LARGE QUANTITY AND VARIETY OF IMPORTED EQUIPMENT,
TECHNOLOGY AND FINANCING. OPPORTUNITIES FOR US PARTICIPATION
ARE GREAT.
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